

1 S.191

2 Introduced by Senator Rodgers

3 Referred to Committee on

4 Date:

5 Subject: Taxation; property tax; current use

6 Statement of purpose of bill as introduced: This bill proposes to simplify the  
7 current use property tax system for farm and forest land to improve access and  
8 reduce the administrative burden on taxpayers.

9 An act relating to current use property taxation

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 \* \* \* Substantive Provisions \* \* \*

12 Sec. 1. 32 V.S.A. § 3752 is amended to read:

13 § 3752. DEFINITIONS

14 As used in this subchapter:

15 (1)(A) “Agricultural land” means any land, exclusive of any housesite,  
16 in active use to grow hay or cultivated crops, pasture livestock, cultivate trees  
17 bearing edible fruit, or produce an annual maple product, ~~and that is 25 acres~~  
18 ~~or more in size, except as provided in this subdivision~~ (1) raise poultry, or farm  
19 fish through artificial feeding, protection, and care. Agricultural land shall  
20 include buffer zones as defined and required in the Agency of Agriculture,

1 Food and Markets' Required Agricultural Practices rule adopted under  
2 6 V.S.A. chapter 215. ~~There shall be a presumption that the land is used for~~  
3 ~~agricultural purposes if:~~

4 ~~(A) it is owned by a farmer and is part of the overall farm unit; or~~

5 ~~(B) it is used by a farmer as part of his or her farming operation~~  
6 ~~under written lease for at least three years; or~~

7 ~~(C) it has produced an annual gross income from the sale of farm~~  
8 ~~crops in one of two, or three of the five, calendar years preceding of at least:~~

9 ~~(i) \$2,000.00 for parcels of up to 25 acres; and~~

10 ~~(ii) \$75.00 per acre for each acre over 25, with the total income~~  
11 ~~required not to exceed \$5,000.00.~~

12 ~~(iii) Exceptions to these income requirements may be made in cases~~  
13 ~~of orchard lands planted to fruit producing trees, bushes, or vines that are not~~  
14 ~~yet of bearing age. As used in this section, the term "farm crops" also includes~~  
15 ~~animal fiber, cider, wine, and cheese, produced on the enrolled land or on a~~  
16 ~~housesite adjoining the enrolled land, from agricultural products grown on the~~  
17 ~~enrolled land.~~

18 (B) Notwithstanding subdivision (A) of this subdivision (1), land is  
19 not "agricultural land" if:

20 (i) any building, road, or other structure is constructed on the land  
21 for other than farming purposes;

1                   (ii) a building, road, or other structure on the land is used for other  
2 than farming purposes;

3                   (iii) any mining, excavation, or landfill activity is carried out on  
4 the land; or

5                   (iv) a fee, consideration, or other thing of value is charged or  
6 received in exchange for the right to hunt or fish on the land.

7                   (2) “Assessing officials” means the listers or other assessing authority of  
8 the municipality or the State of Vermont.

9                   (3) “Board” means the Current Use Advisory Board established in  
10 section 3753 of this chapter.

11                   (4) “Commissioner” means the Commissioner of Taxes.

12                   (5) ~~“Development” means, for the purposes of determining whether a~~  
13 ~~land use change tax is to be assessed under section 3757 of this chapter, the~~  
14 ~~construction of any building, road, or other structure, or any mining,~~  
15 ~~excavation, or landfill activity. “Development” also means the subdivision of~~  
16 ~~a parcel of land into two or more parcels, regardless of whether a change in use~~  
17 ~~actually occurs, where one or more of the resulting parcels contains less than~~  
18 ~~25 acres each; but if subdivision is solely the result of a transfer to one or more~~  
19 ~~of a spouse, parent, grandparent, child, grandchild, niece, nephew, or sibling of~~  
20 ~~the transferor, or to the surviving spouse of any of the foregoing, then~~  
21 ~~“development” shall not apply to any portion of the newly created parcel or~~

1 ~~parcels which qualifies for enrollment and for which, within 30 days following~~  
2 ~~the transfer, each transferee or transferor applies for reenrollment in the use~~  
3 ~~value appraisal program. “Development” also means the cutting of timber on~~  
4 ~~property appraised under this chapter at use value in a manner contrary to a~~  
5 ~~forest or conservation management plan as provided for in subsection 3755(b)~~  
6 ~~of this title during the remaining term of the plan, or contrary to the minimum~~  
7 ~~acceptable standards for forest management if the plan has expired; or a~~  
8 ~~change in the parcel or use of the parcel in violation of the conservation~~  
9 ~~management standards established by the Commissioner of Forests, Parks and~~  
10 ~~Recreation. “Development” also means notification of the Director by the~~  
11 ~~Secretary of Agriculture, Food and Markets under section 3756 of this title that~~  
12 ~~the owner or operator of agricultural land or a farm building is violating the~~  
13 ~~water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with~~  
14 ~~the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The~~  
15 ~~term “development” shall not include the construction, reconstruction,~~  
16 ~~structural alteration, relocation, or enlargement of any building, road, or other~~  
17 ~~structure for farming, logging, forestry, or conservation purposes, but shall~~  
18 ~~include the subsequent commencement of a use of that building, road, or~~  
19 ~~structure for other than farming, logging, or forestry purposes. “Municipality”~~  
20 ~~means, with respect to any land, the town in which the land is listed under~~  
21 ~~section 3651 of this title.~~

1           (6) “Director” means the Director of the Division of Property Valuation  
2 and Review created by 3 V.S.A. § 2289.

3           (7) ~~“Farmer” means a person:~~

4                 ~~(A) who earns at least one half of the farmer’s annual gross income~~  
5 ~~from the business of farming as that term is defined in Regulation 1.175-3~~  
6 ~~issued under the Internal Revenue Code of 1986; or~~

7                 ~~(B)(i) who produces farm crops that are processed in a farm facility~~  
8 ~~situated on land enrolled by the farmer in a use value appraisal program or on~~  
9 ~~a housesite adjoining the enrolled land;~~

10                ~~(ii) whose gross income from the sale of the processed farm~~  
11 ~~products pursuant to subdivision (i) of this subdivision (B), when added to~~  
12 ~~other gross income from the business of farming as used in subdivision (A) of~~  
13 ~~this subdivision (7), equals at least one half of the farmer’s annual gross~~  
14 ~~income; and~~

15                ~~(iii) who produces on the farm a minimum of 75 percent of the~~  
16 ~~farm crops processed in the farm facility;~~

17                ~~(C) The Agency of Agriculture, Food and Markets shall assist the~~  
18 ~~director in making determinations of eligibility pursuant to subdivision (B) of~~  
19 ~~this subdivision (7).~~

20           (8) “Housesite” means the two acres of land surrounding any house,  
21 mobile home, or dwelling.

1           ~~(9)~~(8)(A) “Managed forestland” means:

2                   ~~(A) any (i) Any~~ land, exclusive of any house-site, which is at least  
3           25 acres in size and which is under active long-term forest management for the  
4           purpose of growing and harvesting repeated forest crops ~~in accordance with~~  
5           ~~minimum acceptable standards for forest management.~~ Such land may include  
6           eligible ecologically significant treatment areas ~~in accordance with minimum~~  
7           ~~acceptable standards for forest management and as approved by the~~  
8           ~~Commissioner;~~ or

9                   ~~(B) any (ii) Any~~ land, exclusive of any house-site, which is:

10                   ~~(i)(I)~~ certified under 10 V.S.A. § 6306(b); and

11                   ~~(ii)(II)~~ is owned by an organization that was certified by the

12           Commissioner of Taxes as a qualified organization as defined in 10 V.S.A.

13           § 6301a and for at least five years preceding its certification was determined by

14           the ~~internal revenue service~~ Internal Revenue Service to qualify as a Section

15           501(c)(3) organization which is not a private foundation as defined in

16           26 U.S.C. § 509(a); ~~and.~~

17                   ~~(iii) is under active conservation management in accord with~~

18           ~~standards established by the Commissioner of Forests, Parks and Recreation.~~

19                   (B) Notwithstanding subdivisions (A)(i) and (A)(ii) of this

20           subdivision (8), land is not “managed forestland” if:

1                    (i) any building, road, or other structure is constructed on the land  
2                    for other than logging, forestry, or conservation purposes;

3                    (ii) a building, road, or other structure on the land is used for other  
4                    than logging, forestry, or conservation purposes;

5                    (iii) any mining, excavation, or landfill activity is carried out on  
6                    the land; or

7                    (iv) a fee, consideration, or other thing of value is charged or  
8                    received in exchange for the right to hunt or fish on the land.

9                    ~~(10)~~(9) “Owner” means the person who is the owner of record of any  
10                    land or the lessee under a perpetual lease as defined in subsection 3610(a) of  
11                    this title, provided the term of the lease exceeds 999 years exclusive of  
12                    renewals. When ~~enrolled~~ land is mortgaged, the mortgagor shall be deemed  
13                    the owner of the land for the purposes of this subchapter, until the mortgagee  
14                    takes possession, either by voluntary act of the mortgagor or foreclosure, after  
15                    which the mortgagee shall be deemed the owner.

16                    ~~(11)~~(10) “Person” means any individual, firm, corporation, partnership,  
17                    or other form of organization or group of individuals.

18                    ~~(12)~~(11) “Use value appraisal” means, with respect to land, the price per  
19                    acre which the land would command if it were required to remain henceforth in  
20                    agriculture or forest use, as determined in accordance with the terms and  
21                    provisions of this subchapter and the values set by the Current Use Advisory

1 Board. With respect to farm buildings, “use value appraisal” means zero  
2 percent of fair market value.

3 ~~(13) “Minimum acceptable standards for forest management” refer to~~  
4 ~~certain standards established by the Commissioner of Forests, Parks and~~  
5 ~~Recreation.~~

6 ~~(14)~~(12) “Farm buildings” means all farm buildings and other farm  
7 improvements that are actively used ~~by a farmer as part of a farming operation,~~  
8 ~~are owned by a farmer or leased to a farmer under a written lease for a term of~~  
9 ~~three years or more, for one or more of the activities described in subdivision~~  
10 ~~(1)(A) of this section~~ and are situated on land that is ~~enrolled in~~ qualified under  
11 a use value appraisal program or on a housesite adjoining ~~enrolled~~ such land.

12 “Farm buildings” shall include up to \$100,000.00 of the value of a farm facility  
13 processing farm crops, a minimum of 75 percent of which are produced ~~on the~~  
14 ~~farm~~ by the owner or lessee of the facility and shall not include any dwelling,  
15 other than a dwelling in use during the prior 12 months exclusively to house  
16 one or more farm employees, as defined in 9 V.S.A. § 4469a, and their  
17 families, as a nonmonetary benefit of the farm employment. As used in this  
18 section, the term “farm crops” also includes animal fiber, cider, wine, and  
19 cheese, produced on the land or on a housesite adjoining the land, from  
20 agricultural products grown on the land. This subdivision shall not affect the



1 application of the definition of “farming” in 10 V.S.A. § 6001(22) or the  
2 definition of “farm structure” in 24 V.S.A. § 4413(d)(1).

3 ~~(15)~~(13) “Active use” of agricultural land includes that portion of  
4 otherwise eligible land that is enrolled in a Conservation Reserve Enhancement  
5 Program for agricultural lands through a contract with the State or federal  
6 government.

7 Sec. 2. 32 V.S.A. § 3753 is amended to read:

8 § 3753. CURRENT USE ADVISORY BOARD; MEMBERS; CHAIR

9 (a) There is hereby established a the Current Use Advisory Board.

10 (b) The membership of the Board shall consist of:

11 (1) The following persons or their designees:

12 (A) Commissioner of Taxes;

13 (B) Director of the Division of Property Valuation and Review;

14 (C) Secretary of Agriculture, Food and Markets; and

15 (D) Commissioner of Forests, Parks and Recreation;

16 (2) Eight additional members to be appointed by the Governor with the  
17 advice and consent of the Senate. Two of these members shall represent the  
18 private agricultural sector; two shall represent the private forestry sector; one  
19 shall be experienced in agricultural and forestry property appraisal and  
20 valuation techniques; one shall be a representative of local government; one  
21 shall be a selectboard member; and one shall be a lister. Fifty-one percent or

1 more of the Board membership shall be persons who do not own ~~enrolled~~ land  
2 taxed at current use rates under this chapter, and have no spouse, child, or  
3 parent who owns ~~enrolled~~ such land. These members shall be appointed for  
4 three-year terms, beginning on February ~~first~~ 1 of the year in which the  
5 appointment is made, except that the initial appointment of three of the  
6 members shall be for a two-year term. Vacancies shall be filled in the same  
7 manner as the original appointment for the unexpired portion of the term  
8 vacated.

9 (c) A ~~Chair~~ chair shall be designated biennially by the Governor from  
10 among the members of the Board and any vacancy in the office of Chair shall  
11 be filled by designation of the Governor.

12 (d) Members of the Board who are not State employees shall be paid  
13 \$50.00 a day, each, for each day that they are actually engaged in the work of  
14 the Board. All members shall be paid their actual expenses incurred as a result  
15 of that work.

16 (e) The Board shall be attached for administrative purposes to the Division  
17 of Property Valuation and Review of the Department of Taxes of the Agency  
18 of Administration.

1 Sec. 3. 32 V.S.A. § 3754 is amended to read:

2 § 3754. POWERS AND DUTIES OF BOARD

3 (a) The Board shall meet at least annually, prior to February 1, to review all  
4 past current use land values for agricultural land and managed ~~forest land~~  
5 forestland recommended by past boards, ~~to review the criteria for lands~~  
6 ~~previously established and to establish new criteria and values as legislation~~  
7 ~~and land management practices may indicate, and~~ to establish a schedule of  
8 ~~criteria and~~ values to be recommended for the current tax year, ~~and to~~  
9 ~~recommend such changes and improvement in the administration of this~~  
10 ~~subchapter as experience and public reaction may recommend.~~ The Board's  
11 ~~criteria and~~ recommended values may reflect the class, type, grade, and  
12 location of the land, together with its productive capacity and ~~income~~  
13 ~~producing~~ income-producing capability of agricultural and forestland.

14 (b) Annually, on or before October 15, the Board shall hold a public  
15 hearing and such other hearings as ~~they deem~~ it deems necessary to receive  
16 public testimony on the ~~criteria and~~ values for use value appraisals in the  
17 coming tax year ~~and on the administration of this subchapter.~~

18 (c) Prior to February 15 each year, the Board shall submit to the Director  
19 its recommended schedule of ~~criteria and~~ values for use value appraisals for  
20 the current tax year. The Director shall then distribute the valuations to all

1 municipalities, towns, and gores, and the assessing officials shall appraise  
2 qualifying agricultural and managed forestland at these use values.

3 (d) The Board may adopt rules under the authority granted to agencies by  
4 3 V.S.A. §§ 801-808 to interpret and carry out the provisions of this  
5 subchapter.

6 (e) A member of the Board shall not vote on any issue on which he or she,  
7 or when applicable his or her agency, has a conflict of interest.

8 Sec. 4. 32 V.S.A. § 3755 is amended to read:

9 § 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

10 (a) ~~Except as modified by subsection (b) of this section, any~~ Any  
11 agricultural land, managed forestland, and farm buildings that meet the criteria  
12 contained in this subchapter and in the rules adopted by the Board shall be  
13 eligible for use value appraisal.

14 ~~(b) Managed forestland shall be eligible for use value appraisal under this~~  
15 ~~subchapter only if:~~

16 ~~(1) The land is subject to a forest management plan, or subject to a~~  
17 ~~conservation management plan in the case of lands certified under 10 V.S.A.~~  
18 ~~§ 6306(b), which:~~

19 ~~(A) is signed by the owner of the parcel;~~

20 ~~(B) complies with subdivision 3752(9) of this title;~~

1           ~~(C) is filed with and approved by the Department of Forests, Parks~~  
2           ~~and Recreation; and~~

3           ~~(D) provides for continued conservation management or forest crop~~  
4           ~~production on the parcel for 10 years. An initial forest management plan or~~  
5           ~~conservation management plan must be filed with the Department of Forests,~~  
6           ~~Parks and Recreation no later than October 1 and shall be effective for a 10-~~  
7           ~~year period beginning the following April 1. Prior to expiration of a 10-year~~  
8           ~~plan and no later than April 1 of the year in which the plan expires, the owner~~  
9           ~~shall file a new conservation or forest management plan for the next~~  
10           ~~succeeding 10 years to remain in the program.~~

11           ~~(2) A management report of whatever activity has occurred, signed by~~  
12           ~~the owner, has been filed with the Department of Forests, Parks and Recreation~~  
13           ~~by February 1 of the year following the year when the management activity~~  
14           ~~occurred.~~

15           ~~(3) There has not been filed with the Director an adverse inspection~~  
16           ~~report by the Department stating that the management of the tract is contrary to~~  
17           ~~the forest or conservation management plan, or contrary to the minimum~~  
18           ~~acceptable standards for forest or conservation management. The management~~  
19           ~~activity report shall be on a form prescribed by the Commissioner of Forests,~~  
20           ~~Parks and Recreation in consultation with the Commissioner of Taxes and shall~~  
21           ~~include a detachable section signed by all the owners that shall contain the~~

1 ~~federal tax identification numbers of all the owners. The section containing~~  
2 ~~federal tax identification numbers shall not be made available to the general~~  
3 ~~public, but shall be forwarded to the Commissioner of Taxes within 30 days~~  
4 ~~after receipt and used for tax administration purposes. If any owner shall~~  
5 ~~satisfy the Department that he or she was prevented by accident, mistake, or~~  
6 ~~misfortune from filing an initial or revised management plan which is required~~  
7 ~~to be filed on or before October 1, or a management plan update which is~~  
8 ~~required to be filed on or before April 1 of the year in which the plan expires,~~  
9 ~~or a management activity report which is required to be filed on or before~~  
10 ~~February 1 of the year following the year when the management activity~~  
11 ~~occurred, the Department may receive that management plan or management~~  
12 ~~activity report at a later date; provided, however, no initial or revised~~  
13 ~~management plan shall be received later than December 31, and no~~  
14 ~~management plan update shall be received later than one year after April 1 of~~  
15 ~~the year the plan expires, and no management activity report shall be received~~  
16 ~~later than March 1.~~

17 ~~(e) The Department of Forests, Parks and Recreation shall periodically~~  
18 ~~review the management plans and each year review the management activity~~  
19 ~~reports that have been filed. At intervals not to exceed 10 years, that~~  
20 ~~Department shall inspect each parcel of managed forestland qualified for use~~  
21 ~~value appraisal to verify that the terms of the management plan have been~~

1 ~~carried out in a timely fashion. If that Department finds that the management~~  
2 ~~of the tract is contrary to the conservation or forest management plan, or~~  
3 ~~contrary to the minimum acceptable standards for conservation or forest~~  
4 ~~management, it shall file with the owner, the assessing officials, and the~~  
5 ~~Director an adverse inspection report within 30 days of the inspection.~~

6 ~~(d) After managed forestland has been removed from use value appraisal~~  
7 ~~due to an adverse inspection report under subdivision 3756(i)(1) of this title, a~~  
8 ~~new application for use value appraisal shall not be considered for a period of~~  
9 ~~five years, and then shall be approved by the Department of Forests, Parks and~~  
10 ~~Recreation only if a compliance report has been filed with the new application,~~  
11 ~~certifying that appropriate measures have been taken to bring the parcel into~~  
12 ~~compliance with minimum acceptable standards for forest or conservation~~  
13 ~~management.~~

14 ~~(e) Any applicant for appraisal under this subchapter bears the burden of~~  
15 ~~proof as to his or her qualification. Any documents submitted by an applicant~~  
16 ~~as evidence of income shall be held in confidence by any person accepting or~~  
17 ~~reviewing them pursuant to provisions of this subchapter, and shall not be~~  
18 ~~made available for public examination, whether or not such person is subject to~~  
19 ~~the provisions of 1 V.S.A. § 317(e)(6).~~

20 ~~(f) On or before November 1 of each year, the owner of agricultural land or~~  
21 ~~buildings enrolled in the use value program as agricultural land or buildings~~

1 ~~shall certify in writing under oath to the Commissioner that the agricultural~~  
2 ~~land or buildings enrolled by that owner continue to meet the requirements for~~  
3 ~~enrollment in the use value program at the time of the certification. The form~~  
4 ~~of the certification shall be made on a form specified by the Director of~~  
5 ~~Property Valuation and Review.~~

6 (b) Municipalities shall determine which land meets the criteria and in  
7 doing so they may determine that some portions of a parcel of land meet the  
8 criteria while other portions do not. When a parcel of land is divided in this  
9 manner, no portion of the parcel may qualify as agricultural land or managed  
10 forestland if the portion is within 660 feet of any disqualifying structures or  
11 activities mentioned in subdivisions 3752(1)(B) and (8)(B) of this chapter  
12 situated or taking place on the same parcel.

13 (c) When a parcel of land is situated in two or more contiguous  
14 municipalities, each municipality shall determine whether the portion of the  
15 land within the municipality is eligible for use value appraisal by considering  
16 the use of the entire parcel.

17 (d) In making determinations under this section, municipalities may treat as  
18 agricultural land any land which meets the requirements of subdivision  
19 3752(1)(B) of this chapter, and which would meet the requirements of  
20 subdivision 3752(1)(A) of this chapter but for personal hardship of the owner.  
21 Municipalities may grant such exemptions for a year at a time because of



1 personal hardship created by personal or family disability or death; by  
2 economic disaster such as loss of farm buildings, equipment, or livestock due  
3 to fire or disease; or by natural disaster such as flood or drought. The  
4 exempted land and any buildings or other improvements on the land that would  
5 qualify as farm buildings under subdivision 3752(12) of this chapter but for  
6 personal hardship shall continue in this instance to be taxed on the basis of use  
7 value appraisal.

8 (e) The municipality shall notify persons affected by changes in  
9 classification of all or portions of their land under this section in the manner  
10 prescribed in subsection 4111(e) of this title.

11 (f) Any owner aggrieved by the municipality's determination under this  
12 section or the appraisal under subdivision 3756 of this title may appeal in the  
13 same manner as with an appeal of a grand list valuation.

14 Sec. 5. 32 V.S.A. § 3756 is amended to read:

15 § 3756. ~~QUALIFICATION FOR USE VALUE APPRAISAL~~

16 ~~(a) The owner of eligible agricultural land, farm buildings, or managed~~  
17 ~~forestland shall be entitled to have eligible property appraised at its use value~~  
18 ~~provided the owner shall have applied to the Director on or before September 1~~  
19 ~~of the previous tax year, on a form approved by the Board and provided by the~~  
20 ~~Director. A farmer, whose application has been accepted on or before~~  
21 ~~December 31 by the Director of the Division of Property Valuation and~~

1 ~~Review of the Department of Taxes for enrollment for the use value program~~  
2 ~~for the current tax year, shall be entitled to have eligible property appraised at~~  
3 ~~its use value, if he or she was prevented from applying on or before~~  
4 ~~September 1 of the previous year due to the severe illness of the farmer.~~

5 [Repealed.]

6 (b) [Repealed.]

7 (c) ~~The Director shall notify the applicant no later than April 15 of his or~~  
8 ~~her decision to classify or refusal to classify his or her property as eligible for~~  
9 ~~use value appraisal by delivery of such notification to him or her in person or~~  
10 ~~by mailing such notification to his or her last and usual place of abode. In the~~  
11 ~~case of a refusal, the Director shall state the reasons therefor in the notification.~~

12 [Repealed.]

13 (d) The assessing officials shall appraise qualifying agricultural and  
14 managed forestland and farm buildings at use value appraisal as defined in  
15 subdivision 3752(12)(11) of this title. If the land to be appraised is a portion of  
16 a parcel, any portion not receiving a use value appraisal shall be valued at its  
17 fair market value as a stand-alone parcel, ~~and, for the purposes of the payment~~  
18 ~~under section 3760 of this chapter, the entire parcel shall be valued at its fair~~  
19 ~~market value as other similar parcels in the municipality.~~

20 (e) ~~Once a use value appraisal has been applied for and granted under this~~  
21 ~~section, such appraisal shall remain in effect for subsequent tax years pursuant~~

1 ~~to the provisions of subsection (f) of this section, and until the property~~  
2 ~~concerned is transferred to another owner or is no longer eligible under~~  
3 ~~provisions of section 3752 or 3755 of this chapter, or due to a change of use or~~  
4 ~~as otherwise provided in section 3757 of this chapter. If enrolled property is~~  
5 ~~transferred to another owner, the new owner shall be entitled to continue to~~  
6 ~~have the eligible property appraised at its use value, provided the property~~  
7 ~~remains eligible and provided the new owner shall elect the continuation of use~~  
8 ~~value appraisal on the property transfer tax return at the time of transfer and,~~  
9 ~~within 30 days after the property transfer tax return has been received by the~~  
10 ~~municipality for recording, has applied to the Director and paid the fees~~  
11 ~~described in this subsection. The grant of use value appraisals of agricultural~~  
12 ~~forestland and farm buildings shall be recorded in the land records of the~~  
13 ~~municipality by the clerk of the municipality. Applications shall include the~~  
14 ~~fees specified in subdivision 1671(a)(6) or subsection 1671(c) of this title, and~~  
15 ~~a fee of \$70.00 for deposit in a special fund established and managed pursuant~~  
16 ~~to subchapter 5 of chapter 7 of this title. The Fund shall be available as~~  
17 ~~payment for the fees of the clerk of the municipality and to offset the costs of~~  
18 ~~administering the application and managing the program. [Repealed.]~~

19 (f) ~~Each year the Director shall determine whether previously classified~~  
20 ~~property is still eligible for use value appraisal and whether the amount of the~~  
21 ~~previous appraisal is still valid. If the Director determines that previously~~

1 ~~classified property is no longer eligible, or that the property has undergone a~~  
2 ~~change in use such that the use change tax may be levied, in accordance with~~  
3 ~~section 3757 of this chapter, or that the use value appraisal should be fixed at a~~  
4 ~~different amount than the previous year, he or she shall thereafter notify the~~  
5 ~~property owner of that determination by delivery of the notification to him or~~  
6 ~~her in person or by mailing such notification to his or her last and usual place~~  
7 ~~of abode. [Repealed.]~~

8 (g) ~~The Director shall execute such other forms and the board shall adopt~~  
9 ~~such other procedures and regulations, as are needed to assure a fair~~  
10 ~~opportunity for owners to qualify under this subchapter and to assure~~  
11 ~~compliance with the provisions of this chapter. [Repealed.]~~

12 (h) ~~By March 15, the Director shall mail to each municipality a list of~~  
13 ~~property in the municipality which is to be taxed based on its use value~~  
14 ~~appraisal. The list shall include the owners' names, a grand list number or~~  
15 ~~description of each parcel of land to be appraised at use value, the acreage to~~  
16 ~~be taxed on the basis of use value, the use values to be used for land, and the~~  
17 ~~number and type of farm buildings to be appraised by the assessing officials at~~  
18 ~~use value. The assessing officials shall determine the listed value of the land to~~  
19 ~~be taxed at use value and its estimated fair market value, and fill in these~~  
20 ~~values and the difference between them on the form. This form shall be used~~  
21 ~~by the Treasurer or the collector of current taxes to make up tax bills such that~~

1 ~~the owner is billed only for taxes due on his or her property not enrolled in the~~  
2 ~~program, plus taxes due on the use value of property enrolled in the program.~~  
3 ~~The assessing officials shall submit the completed form to the Director by~~  
4 ~~July 5. [Repealed.]~~

5 ~~(i)(1) After providing 30 days' notice to the owner, the Director shall~~  
6 ~~remove from use value appraisal an entire parcel of managed forestland and~~  
7 ~~notify the owner when the Commissioner of Forests, Parks and Recreation has~~  
8 ~~not received a required management activity report or has received an adverse~~  
9 ~~inspection report, unless the lack of conformance consists solely of the failure~~  
10 ~~to make prescribed planned cutting. In that case, the Director may delay~~  
11 ~~removal from use value appraisal for a period of one year at a time to allow~~  
12 ~~time to bring the parcel into conformance with the plan.~~

13 ~~(2)(A) The Director shall remove from use value appraisal an entire~~  
14 ~~parcel or parcels of agricultural land and farm buildings identified by the~~  
15 ~~Secretary of Agriculture, Food and Markets as being used by a person:~~

16 ~~(i) found, after administrative hearing, or contested judicial~~  
17 ~~hearing or motion, to be in violation of water quality requirements established~~  
18 ~~under 6 V.S.A. chapter 215, or any rules adopted or any permit or certification~~  
19 ~~issued under 6 V.S.A. chapter 215; or~~

20 ~~(ii) who is not in compliance with the terms of an administrative~~  
21 ~~or court order issued under 6 V.S.A. chapter 215, subchapter 10 to remedy a~~

1 ~~violation of the requirements of 6 V.S.A. chapter 215 or any rules adopted or~~  
2 ~~any permit or certification issued under 6 V.S.A. chapter 215.~~

3 ~~(B) The Director shall notify the owner that agricultural land or a~~  
4 ~~farm building has been removed from use value appraisal by mailing~~  
5 ~~notification of removal to the owner or operator's last and usual place of~~  
6 ~~abode. After removal of agricultural land or a farm building from use value~~  
7 ~~appraisal under this section, the Director shall not consider a new application~~  
8 ~~for use value appraisal for the agricultural land or farm building until the~~  
9 ~~Secretary of Agriculture, Food and Markets submits to the Director a~~  
10 ~~certification that the owner or operator of the agricultural land or farm building~~  
11 ~~is complying with the water quality requirements of 6 V.S.A. chapter 215 or an~~  
12 ~~order issued under 6 V.S.A. chapter 215. After submission of a certification by~~  
13 ~~the Secretary of Agriculture, Food and Markets, an owner or operator shall be~~  
14 ~~eligible to apply for enrollment of the agricultural land or farm building~~  
15 ~~according to the requirements of this section. [Repealed.]~~

16 ~~(j) The Commissioner may exempt a farmer owner of agricultural land and~~  
17 ~~farm buildings located within the municipality and otherwise eligible under~~  
18 ~~this subchapter for use value appraisal from the terms of the definition of a~~  
19 ~~“farmer” contained in subdivision 3752(7) of this chapter, for a year at a time,~~  
20 ~~because of personal hardship created by personal or family disability or death,~~  
21 ~~by economic disaster such as loss of farm buildings, equipment, or livestock~~

1 ~~due to fire or disease, or natural disaster such as flood or drought. The~~  
2 ~~agricultural land and farm buildings concerned shall continue in this instance~~  
3 ~~to be taxed on the basis of use value appraisal. [Repealed.]~~

4 Sec. 6. 32 V.S.A. § 3481(1)(A) is amended to read:

5 (1)(A) “Appraisal value” shall mean, with respect to property ~~enrolled in~~  
6 determined by a municipality to qualify under a use value appraisal program,  
7 the use value appraisal as defined in subdivision 3752(12)(11) of this title,  
8 multiplied by the common level of appraisal, and with respect to all other  
9 property, except for owner-occupied housing identified in subdivision (C) of  
10 this subdivision (1), the estimated fair market value. The estimated fair market  
11 value of a property is the price that the property will bring in the market when  
12 offered for sale and purchased by another, taking into consideration all the  
13 elements of the availability of the property, its use both potential and  
14 prospective, any functional deficiencies, and all other elements such as age and  
15 condition which combine to give property a market value. Those elements  
16 shall include the effect of any State or local law or regulation affecting the use  
17 of land, including 10 V.S.A. chapter 151 or any land capability plan  
18 established in furtherance or implementation thereof, rules adopted by the State  
19 Board of Health, and any local or regional zoning ordinances or development  
20 plans. In determining estimated fair market value, the sale price of the  
21 property in question is one element to consider, but is not solely determinative.

1       Sec. 7. REPEALS

2           The following sections in Title 32 are repealed:

3           (1) § 3757 (land use change tax);

4           (2) § 3758 (appeals);

5           (3) § 3760 (payments to municipalities);

6           (4) § 3760a (valuation audits);

7           (5) § 3761 (notice to property taxpayers);

8           (6) § 3763 (public records);

9           (7) § 3776 (fee hunting prohibition); and

10          (8) § 3777 (lien subordination).

11                                   \* \* \* Cross References \* \* \*

12       Sec. 8. 6 V.S.A. § 4900(d) is amended to read:

13           (d) Land enrolled in the Vermont agricultural buffer program shall be  
14       considered to be in “active use” as that term is defined in 32 V.S.A.  
15       § ~~3752(15)~~(13).

16       Sec. 9. 10 V.S.A. § 311(b)(5) is amended to read:

17           (5) Three public members appointed by the Governor with the advice  
18       and consent of the Senate, who shall be residents of the State and who shall be  
19       experienced in creating affordable housing or conserving and protecting  
20       Vermont’s agricultural land and forestland, historic properties, important  
21       natural areas, or recreational lands, one of whom shall be a representative of



1 ~~lower income~~ Vermonters with lower income and one of whom shall be a  
2 farmer as defined in ~~32 V.S.A. § 3752(7)~~ subdivision 374b(7) of this title.

3 Sec. 10. 10 V.S.A. § 1679(c) is amended to read:

4 (c) Rules adopted by the Secretary under subsection (a) of this section shall  
5 include provisions for the identification of agricultural lands, as ~~defined in~~  
6 identified by a municipality under 32 V.S.A. §§ 3752 and 3755, within public  
7 water source protection areas and for ~~assuring~~ ensuring that required  
8 agricultural practices on those lands are not unduly restricted by the  
9 development of the public water source protection area without the consent of  
10 the owner of those agricultural lands. Prior to the adoption of rules under this  
11 subsection, the Secretary shall consult with the Secretary of Agriculture, Food  
12 and Markets and, if possible, obtain concurrence of the Secretary of  
13 Agriculture, Food and Markets. If the Secretary of Agriculture, Food and  
14 Markets does not concur, the Secretary of Agriculture, Food and Markets shall  
15 state any objections in writing; and those objections shall be included by the  
16 Secretary in filing the final proposed rule with the Legislative Committee on  
17 Administrative Rules.

18 Sec. 11. 23 V.S.A. § 4(70) is amended to read:

19 (70) “Agricultural custom service vehicle” means a motor truck used on  
20 a farm for planting, harvesting, or transporting crops or waste products  
21 produced on the farm, that is owned by a person providing custom services

1 who is not a farmer as defined in ~~32 V.S.A. § 3752(7)~~ 10 V.S.A. § 374b(7). In  
2 order to qualify as an “agricultural custom service vehicle,” a motor truck shall  
3 be registered under either subsection 367(a) or (f) of this title and shall be  
4 exempt from sections 1400 and 1400a of this title if the gross weight does not  
5 exceed 60,000 pounds. The operator of an “agricultural custom service  
6 vehicle” shall be exempt from the requirements of chapter 39 of this title, to  
7 the extent allowed by federal law.

8 Sec. 12. 32 V.S.A. § 5401(7)(E) is amended to read:

9 (E) A homestead also includes a dwelling on the homestead parcel  
10 owned by a farmer as defined under ~~section 3752 of this title~~ 10 V.S.A.  
11 § 374b(7), and occupied as the permanent residence by a parent, sibling, child,  
12 grandchild of the farmer, or shareholder, partner, or member of the farmer-  
13 owner, provided that the shareholder, partner, or member owns more than  
14 50 percent of the farmer-owner, including attribution of stock ownership of a  
15 parent, sibling, child, or grandchild.

16 Sec. 13. 32 V.S.A. § 10002 is amended to read:

17 § 10002. LAND AND RESOURCES

18 \* \* \*

19 (k) Also excluded from the definition of land is agricultural land  
20 transferred by a farmer to a member of his or her family, when the land is used  
21 by the transferee as agricultural land for a period of time which, when added to

1 the time the land was used as agricultural land by the transferor, equals or  
2 exceeds six years. As used in this section, the ~~terms~~ term “agricultural land”  
3 ~~and “farmer”~~ shall have the ~~definitions~~ definition provided under section 3752  
4 of this title, “farmer” shall have the definition provided in 10 V.S.A. § 374b(7),  
5 and “family” shall mean persons in a relationship to the transferor of  
6 grandparent, parent or stepparent, brother or sister, or natural or adopted child.  
7 As used in this section, land is deemed to be transferred from a farmer to a  
8 transferee when the farmer has died and title vests in the transferee by right of  
9 survivorship in a joint tenancy (or tenancy by the entirety), or through intestate  
10 succession, or by will, without any intervening transfers, except those to and  
11 from the estate.

12 \* \* \*

13 (m) Also excluded from the definition of land is a parcel of land 25 acres or  
14 less, purchased by a farmer (as defined in ~~section 3752 of this title~~ 10 V.S.A.  
15 § 374b(7)) for active and direct use by that farmer, and which, upon transfer,  
16 but for the acreage, meets the definition of “agricultural land” or “managed  
17 forestland” in section 3752 or “eligible property” in section 3764 of this title,  
18 and continues to meet that definition for at least six years after the transfer.

19 \* \* \*

1

\* \* \* Effective Date \* \* \*

2

Sec. 14. EFFECTIVE DATE

3

This act shall take effect on July 1, 2018 and apply to grand lists lodged

4

after that date.